# CITY OF MIAMI BEACH COMMISSION ITEM SUMMARY



# **Condensed Title:**

Request for Approval to Award a Contract to American Battery Company, Industrial Division, in the Amount of \$41,958, Pursuant to Invitation to Bid No. 48-02/03, for the Purchase and Delivery of Four (4) Sets of Industrial Batteries for the Electrowave Shuttle Buses.

#### lssue

Whether to award a contract to American Battery Company, Industrial Division, pursuant to Bid No. 48-02/03?

Item Summary/Recommendation:

Invitation to Bid No. 48-02/03 (the "Bid") is for the purchase and delivery of four sets of industrial batteries as the City is now reaching a dangerously low level of available batteries for the Electrowave service. Currently there are 17 batteries being used to meet the City's service needs, however, of the 17, seven are over two years old. The batteries have a service life of three years assuming the batteries are only cycled once per day. The last six months of operation have required two cycles per day on approximately half of the batteries. This multiple daily cycling is expediting the approach of the end-of-life cycle of the 2 year old batteries, but is also impacting the life of the remaining 10 batteries. The capacity of the batteries continues to decline with each cycle. There are 8 shuttle buses in operation on a daily basis and the ridership is increasing. Should the City delay the purchase of these 4 battery sets the City will reach a critical situation, as there will not be enough batteries to operate the Electrowave service. The transition from electrical buses to diesel buses will take 3 to 4 years and viable batteries are still needed during the transition period.

The bid submitted by American Battery Co. is for the battery manufactured by East Penn Manufacturer, Model #81P71-7, Deka Max Power units, at a delivered price of \$10,488 each, to include removal of scrap batteries on their (vendor) vehicles which must be EPA certified to transport acid batteries. These batteries come with a three year Pro Rated Warranty with one year free cell replacement/repair guarantee for manufacturing defect batteries. The Vendor will have replacement service parts in their inventory within ten (10) calendar days after delivery of the batteries and provide required service support/response within 8 hours upon notification from the City of Miami Beach designated representative. Should the City require additional batteries, American Battery will provide the batteries under the same terms and conditions pursuant to the bid until December 31, 2003.

Advisory Board Recommendation:	
N/A	

### Financial Information:

Source of		Amount	Account	Approved
Funds:	1	\$41,952	183.6318.000.673	
	2			
	3			
	4			
Finance Dept.	Total			

City Clerk's Office Legislative Tracking:

Fred Beckman

Sign-Offs:

Department Direct	or Assistant City Manag	ger City Manager
FB:	RCM:	JMG: Jucy
		AGENDA ITEM <u>CZ E</u>

DATE <u>7-30-03</u>

# CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139 www.miamibeachfl.gov

Members of the City Commission



#### **COMMISSION MEMORANDUM**

To:

Mayor David Dermer and

**Date:** July 30, 2003

From:

Jorge M. Gonzalez

City Manager

Subject:

REQUEST FOR APPROVAL TO AWARD A CONTRACT TO AMERICAN

BATTERY COMPANY, INDUSTRIAL DIVISION, IN THE AMOUNT OF \$41,952, PURSUANT TO INVITATION TO BID NO. 48-02/03, FOR THE PURCHASE AND DELIVERY OF FOUR (4) SETS OF INDUSTRIAL

BATTERIES FOR THE ELECTROWAVE SHUTTLE BUSES.

# **ADMINISTRATION RECOMMENDATION**

Approve the award.

# **FUNDING**

\$41,952

Funding is available from FTA Grant Account No. 183.6318.000.673

# **ANALYSIS**

Invitation to Bid No. 48-02/03 (the "Bid") is for the purchase and delivery of four sets of industrial batteries as the City is now reaching a dangerously low level of available batteries for the Electrowave service. Currently there are 17 batteries being used to meet the City's service needs, however, of the 17, seven are over two years old. The batteries have a service life of three years assuming the batteries are only cycled once per day. The last six months of operation have required two cycles per day on approximately half of the batteries. This multiple daily cycling is expediting the approach of the end-of-life cycle of the 2 year old batteries, but is also impacting the life of the remaining 10 batteries. The capacity of the batteries continues to decline with each cycle. There are 8 shuttle buses in operation on a daily basis and the ridership is increasing. Should the City delay the purchase of these 4 battery sets the City will reach a critical situation, as there will not be enough batteries to operate the service.

Even though the City has started the process of making a transition from electrical buses to diesel buses, the transition will take 3 to 4 years and a viable supply of batteries must be maintained in the interim.

The Bid was issued on June 12, 2003, with an opening date of June 27, 2003. BidNet issued eleven (11) notices to prospective bidders, and the Procurement Division issued two (2) additional notices, resulting in the receipt of one bid.

Commission Memorandum Bid No. 48-02/03 Page 2

The bid submitted by American Battery Co. includes the battery manufactured by East Penn Manufacturer, Model #81P71-7, Deka Max Power units, at a delivered price of \$10,488 each, to include removal of scrap batteries. These batteries come with a three year "Pro Rated Warranty" with one year free cell replacement/repair guarantee for manufacturing defect batteries. American Battery will have replacement service parts in their inventory within ten (10) calendar days after delivery of the batteries, and provide the required service support/response within 8 hours upon notification from the City's designated representative. Should the City require additional batteries, American Battery will provide the batteries under the same terms and conditions, pursuant to the bid until December 31, 2003.

In comparison, the City bought twenty-four (24) batteries from Advanced Vehicle Systems (AVS), the manufacturer of the electric shuttle buses, and paid \$13,050 per battery two years ago without the above mentioned enhanced warranty and services.

# CONCLUSION

The Administration recommends that the contract be awarded to the lowest and best bidder, American Battery Company, Industrial Division in the amount of \$41,952, pursuant to Bid No. 48-02/03, for the purchase and delivery of four (4) sets of industrial batteries for the Electrowave shuttle buses.

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